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Some of the prosecutions, notably that relating to coal, have been abandoned; others have been continued. However, whether the prosecutions are few or more, are abandoned or continued, they have been utterly futile to prevent general coöperation to control the market and thus enhance prices for all essential commodities. The failure in these respects has been just as complete as was failure along similar lines before the world war.

The facts presented in the foregoing pages demonstrate beyond doubt that we cannot rely upon the laws of supply and demand and competition to meet the situation under war conditions. The only possible way in which prices and profits can be reduced to reasonable amounts is by governmental action.

FOOD PRICES VS. WAGE INCREASES

A STUDY AS TO THE TREND OF REAL WAGES IN PHILADELPHIA

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AND

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EDITOR'S NOTE

Immediately after the food riots in the streets of Philadelphia last winter, Mayor Smith appointed a Food Inquiry Committee to investigate the situation. One of the many problems that presented itself to this committee was the determination of the trend in food prices as compared with the trend in wages to ascertain whether there were substantial reasons for discontent. Mr. Raymond T. Bye was asked to undertake a study of the trend of food prices and Dr. Charles Reitell a similar study of the trend in wages. With the consent of the city authorities the Editor has secured the results of these two investigations for publication in *THE ANNALS*. The two articles which follow thus constitute a joint investigation intended to determine the movement of real wages in Philadelphia over the period from January 1, 1916 to March 10, 1917.

THE TREND IN FOOD PRICES

RAYMOND T. BYE, A.M.

It needs no elaborate array of statistical data to inform the American housewife of the trend in food prices. From the growing slimness of her marketing purse she knows, and her husband knows, that the trend is upward. To understand the real significance of this movement, however, it is necessary to measure the exact rate of the increase in prices, in order that this increase may be compared with the changes in wages. If money wages are rising as fast as prices, the worker's real income is as large as before and the increase of prices is of no real significance; but if wages are rising less rapidly than prices the standard of living of the workers is falling and we are face to face with a deteriorating society. It is the purpose of the present article to state precisely what the recent trend of prices in Philadelphia has been. The figures may then serve as a basis for comparison with the wage statistics given by Dr. Reitel in the latter part of this article.

When this study was undertaken for the Mayor's Committee on Food Prices it soon became apparent that it would be very difficult, if not impossible, to trace for very many months back the changes in retail prices, owing to the fact that the dealers themselves do not keep a record of their own past prices. The United States Bureau of Labor Statistics, however, has for some years been receiving retail food price quotations from certain representative stores in various cities, and it very courteously consented to the use of its Philadelphia quotations for this study. Upon them most of the charts and tables used here are based. Through the coöperation of the Philadelphia Society for Organizing Charity, which lent its district workers to the task, it was also possible to make a detailed study of the food prices in March, 1917 in some two hundred Philadelphia stores. The writer, therefore, cannot lay claim to a great deal of independent research in gathering the data for this article, but frankly acknowledges his indebtedness to the sources named. The study embraces the period from January, 1915 to August, 1917, inclusive.

While a gradual increase in food prices has been a normal phenomenon in this country over a long period of years, it is the extreme accentuation of this tendency within the past year that has caused

such general alarm and resulted in food riots. The changes in the price of twenty-two principal articles of food in Philadelphia, shown in Chart 1, makes this very clear. This chart shows the average price of twenty-two articles of food which have been selected by the United States Bureau of Labor Statistics as representing over two-thirds of the average family expenditure for food in this part of the country as determined by an actual study of family budgets.¹ The twenty-two articles of food on which the chart is based are as follows:

Sirloin steak	Butter
Round steak	Cheese
Rib roast	Milk
Chuck roast	Bread
Plate boiling beef	Flour
Pork chops	Rice
Bacon	Potatoes
Ham	Sugar
Lard	Cornmeal
Hens	Coffee
Eggs	Tea

A simple average of the prices of these twenty-two articles would be inaccurate, for a change in the price of a commodity like flour or potatoes would have a far greater effect on the family budget than a corresponding change in the price of cheese. The food prices were therefore "weighted" by multiplying them with the average quantity of each article consumed in workingmen's families.² The curve is thus a graphic representation of this weighted average of price changes and fairly shows what may be termed the "effective" price changes for the period named instead of the simple average price changes. It accurately measures the increased drain on the family pocketbook, not allowing for any change in wages, occasioned by the recent movement of food prices.

The chart shows that while prices remained fairly constant throughout the year 1915, in 1916 they began slowly to rise, taking a sudden leap in August of that year, rising rapidly almost unchecked until June, 1917. Taking the average price of all articles for the year 1916 as 100, the relative price in June, 1917 was 145 as compared with 89 in June, 1915, an increase in two years of 63 per cent.

¹ U. S. Bureau of Labor Statistics, Annual Report, 1901.

² *Ibid.*

In one year the increase was 48 per cent. In August of the present year prices had somewhat declined, but were still 60 per cent higher than two years previously, the relative price being 141 as compared with 88. Moreover, the fact that prices were somewhat lower in August than in June is not to be taken as an indication that the

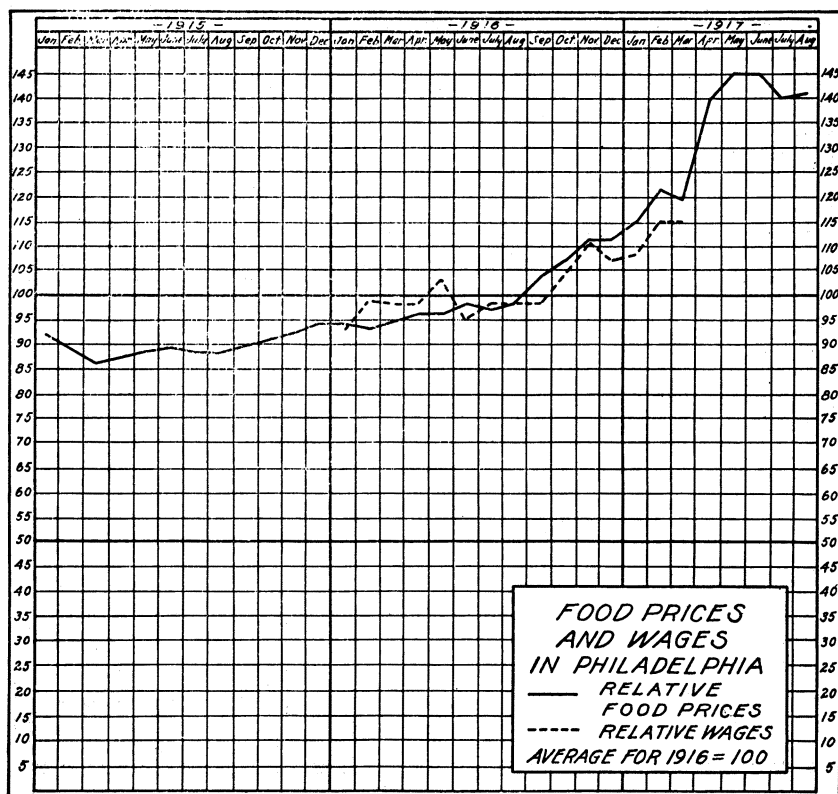


CHART I

crest of the wave has been reached, for in July and August of each year a slight fall in prices is a normal phenomenon, as shown by the chart, followed by a rise again in the fall. Indeed the curve shows that the low level for the present year was reached in June, when the relative price was 140, and that in August the rise had already set in again.

This price increase can be studied in greater detail in Table I,

page 244, which shows the relative prices of twenty-seven articles of food in Philadelphia, by months, from January, 1915 to August, 1917.

The first column, "22 Articles Combined," gives the weighted average relative prices of the twenty-two articles of food on which

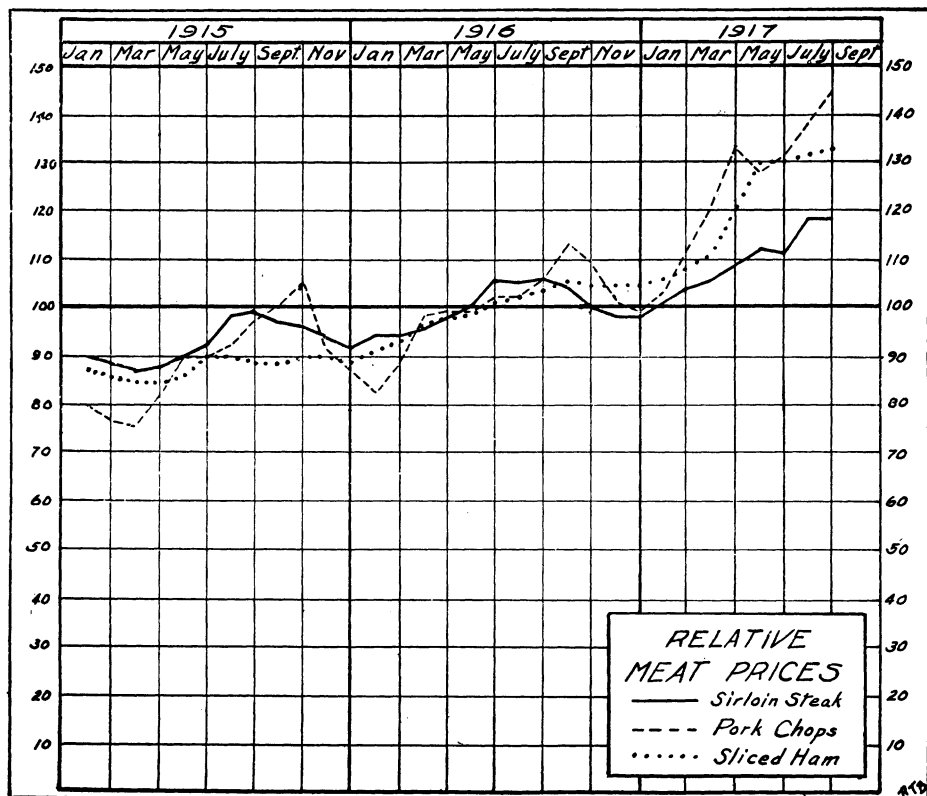


CHART II

Chart I is based. Charts II, III, IV, and V show in graphic form the relative prices of some of the more important articles included in the table. It will be noted that with the exception of a very few articles like coffee, tea and rice, practically all of the necessities of life went up markedly in price during the period covered by the figures. Meats of all kinds rose anywhere from 19 per cent to 51 per cent in two years. Butter and lard increased 52 and 109 per cent respec-

tively, while eggs in August of this year were 49 per cent higher than in August of 1915. Flour, a basic article of diet, took a tremendous leap in the latter months of 1916, fell somewhat in June and July but was on the upward trend in August again. Flour in May was 93 per cent higher than two years previously. Bread, of course, has risen similarly. More pronounced even than these increases, how-

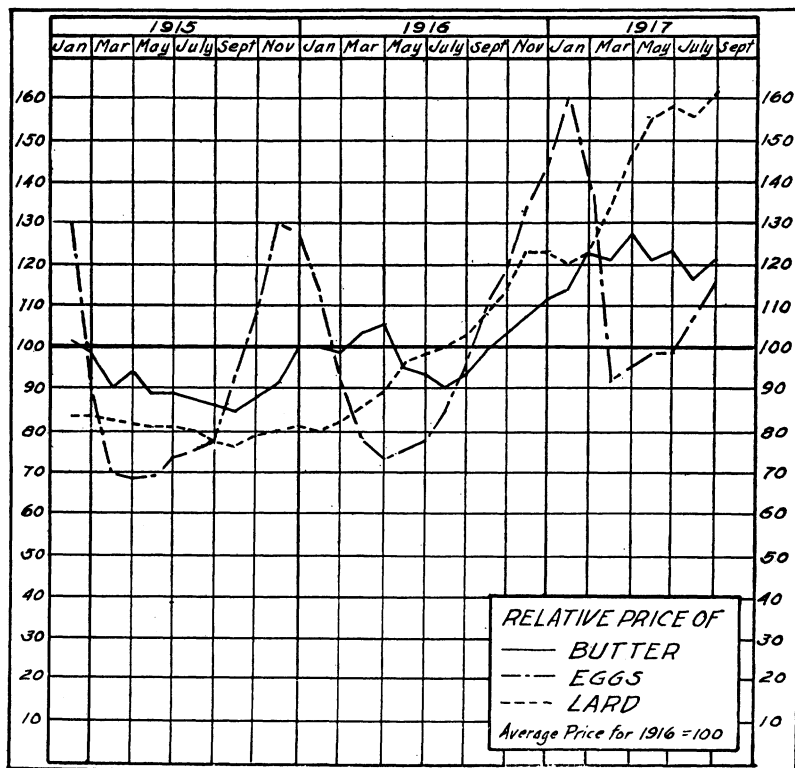


CHART III

ever, were those in potatoes and onions, which occurred last spring. Potatoes are an extremely important item to the masses and it is not to be wondered at that the high prices prevailing led to suffering and rioting. Potatoes in June of this year were 234 per cent higher than in June, 1915. Onions in April, 1917 had a relative price of 279 as compared with 64 two years previously, an increase of 336 per cent.

The price of the twenty-two articles mentioned above, multi-

plied by the average amount consumed by workingmen's families,³ represents, at the August, 1917 prices, an annual expenditure of \$566.31 per family. Assuming that this represents two-thirds of the

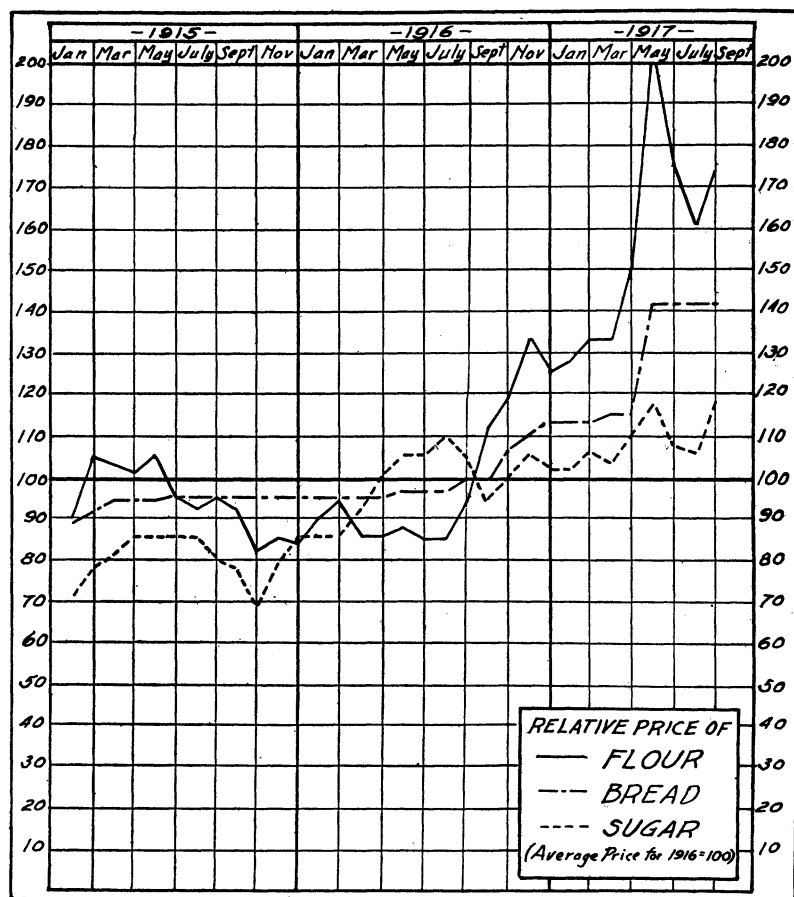


CHART IV

total expenditure for food, which is approximately correct, the annual expenditure per family for food at the August level of prices was about \$850. The corresponding figure at the August, 1915 prices was \$530, and at the August, 1916 prices, \$590. The annual

³U. S. Bureau of Labor Statistics, Annual Report, 1901.

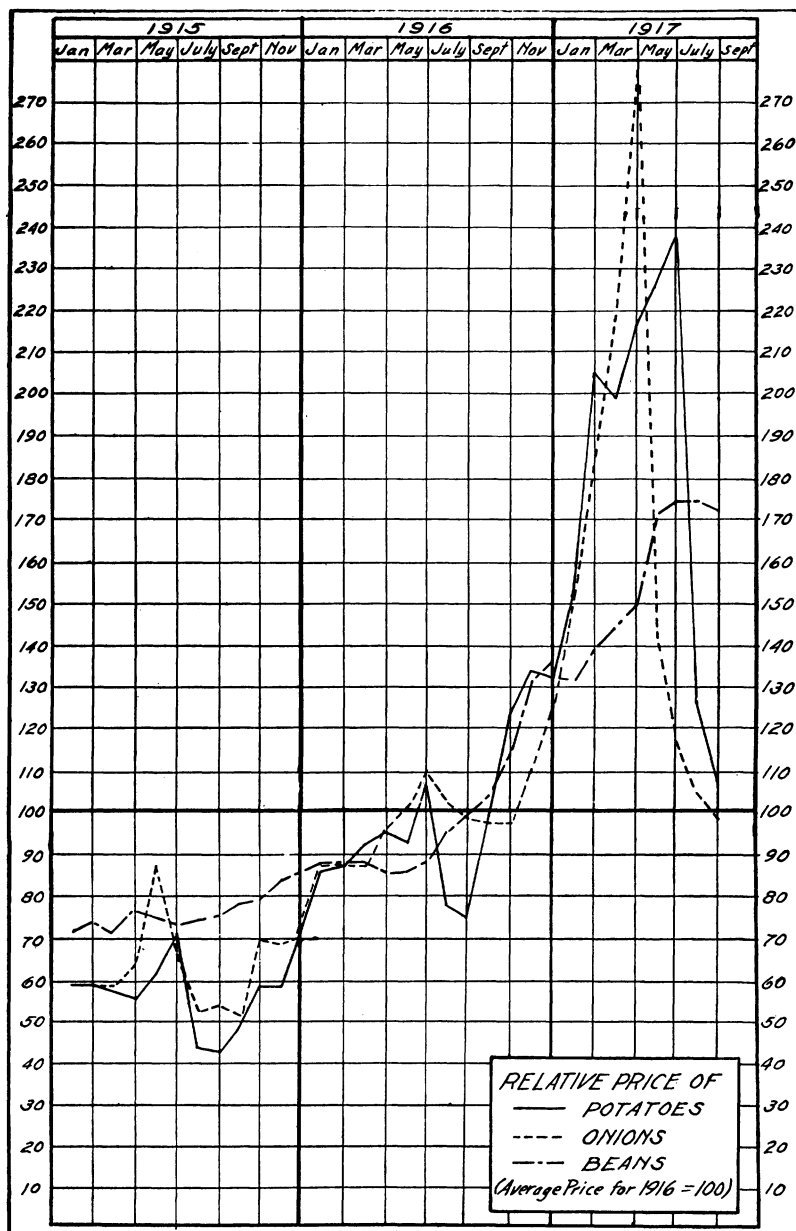


CHART V

cost per family for food is accordingly \$260 greater than it was one year ago and \$320 greater than it was two years ago. To a family of moderate income this means a serious financial strain. True, to a certain extent the increased cost of living can be offset by resort to less expensive but equally wholesome kinds of food, but it is doubtful if this can be of any very great effect. The habits of persons do not change readily in such matters, and those who are likely to suffer most by the increased prices are usually too ignorant or lacking in judgment to effect such a substitution. Moreover, a change to cheaper diet is a thing to be deplored where it represents a real lowering of the standards of living of the people. But aside from this, the rising costs have so seriously affected the basic articles of food like flour, potatoes, sugar, milk, etc., that it is difficult to escape them by substitution. In other words the high cost of living is a serious problem, and it has got to be faced.

The writer was interested in ascertaining how far the consumer has it in his own power, by discriminative purchasing and selection of dealers, to reduce the cost of living for himself. While this inquiry was not pursued very far, some interesting things were brought to light. It is well known to economists that the "free competition" which is assumed to be the moving force of our present economic system is not in fact free. This is probably particularly the case with retail food dealers. The housewife is guided not solely by her pocketbook, but in great measure by whims and caprices, her likes and dislikes. She deals with this store or that because it gives her social prestige, or because she likes the proprietor, or because she is given credit there, or for a thousand other reasons. Were she to buy always where she got the most value for her money she could get her food products considerably cheaper. A study of the simple average price of 38 articles of food in some two hundred Philadelphia stores on March 15, 1917 showed not only a wide variation between individual stores but between whole districts of the city. The relative prices ranged from 88 in the lowest district to 108 in the highest, a maximum difference of 23 per cent. There is a considerable difference, too, between the prices of the independent stores and the large scale chain dealers. In Philadelphia in March, 1917 the average prices of the four largest chain stores were 7 per cent lower than the average prices of two hundred independent stores. Were competition perfectly free the independent stores

TABLE I.—RELATIVE RETAIL PRICES OF THE PRINCIPAL ARTICLES OF FOOD IN PHILADELPHIA, JANUARY, 1915 TO AUGUST, 1917—
(AVERAGE PRICE FOR 1916=100)

Month	22 Articles Combined		Bacon	Ham	Lard	Hens	Fresh Eggs	Butter	Cheese	Milk	Bread	Flour	Corn Meal	Rice	Potatoes	Sugar	Coffee	Tea	Salmon, canned	Onions	Beans, navy	Prunes	Raisins	
Unit of measurement	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Doz.	Lb.	Lb.	Qt.	16 Oz. Loaf	4 Bbl. Bag	Lb.	Lb.	Peck	Lb.	Lb.	Lb.	Lb.	Can	Lb.	Lb.	Lb.	Lb.
1915 Average price	89	93	88	93	88	81	89	92	91	98	94	94	93	99	57	81	100	100	100	63	76	101	101	
1916—average actual price (Average relative price=100)	\$.325	283	242	284	343	176	263	452	262	981	947	1 078	930	994	445	975	285	549	178	950	102	135	122	
1915																								
January	92	90	89	92	88	84	88	130	101	98	89	90	94	100	59	72	101	99	100	59	71	103	103	
February	89	89	86	90	92	87	84	92	98	91	98	105	94	100	59	79	100	99	100	59	73	103	103	
March	86	87	86	83	86	94	76	92	90	91	98	103	94	103	94	81	100	99	100	59	71	103	101	
April	87	88	85	86	94	82	90	69	94	91	98	101	94	99	56	86	101	99	100	64	76	103	103	
May	88	90	90	88	88	91	90	69	89	92	98	105	94	105	94	86	101	101	100	87	75	103	101	
June	89	93	94	90	94	90	81	73	89	93	98	105	94	99	62	86	101	100	100	68	73	100	104	
July	88	98	95	98	92	80	88	75	87	91	98	95	94	99	44	86	101	101	100	53	74	100	101	
August	88	99	95	97	94	89	77	89	86	91	98	95	92	99	43	80	100	101	100	54	75	100	99	
September	89	97	99	95	97	96	100	94	85	88	98	95	92	99	48	78	99	101	100	51	78	100	101	
October	91	96	94	93	96	92	105	94	88	89	98	81	92	99	59	69	100	101	99	70	79	100	101	
November	92	94	93	91	92	92	91	83	90	88	95	85	92	99	59	79	99	101	99	69	84	100	100	
December	94	92	90	92	92	79	93	89	81	88	95	84	92	99	71	86	100	101	99	70	86	101	98	
1916																								
January	94	92	90	92	95	83	92	91	80	89	114	100	94	98	86	86	100	101	99	87	87	99	99	
February	93	94	93	94	89	92	93	93	82	93	93	93	96	98	87	86	99	101	99	87	87	98	99	
March	94	95	94	93	94	97	98	95	96	96	95	86	90	98	92	94	100	101	99	87	87	100	99	
April	96	98	95	98	97	99	99	96	98	98	95	86	90	99	95	102	100	101	99	96	86	100	99	
May	96	100	101	103	100	99	98	99	96	100	75	95	98	98	90	92	106	101	99	101	86	100	99	
June	98	106	107	109	106	104	102	102	101	98	102	86	95	99	107	106	99	101	99	110	88	100	99	
July	97	105	107	105	103	102	100	102	85	90	93	86	94	99	102	102	102	100	99	102	95	100	99	
August	98	106	107	106	103	105	104	103	102	101	95	93	94	100	78	110	102	100	99	99	103	100	99	
September	103	104	107	106	106	103	113	105	105	103	110	119	104	108	112	109	99	99	98	103	100	99	99	
October	107	100	102	100	101	100	110	105	104	104	107	113	103	101	123	100	99	99	100	98	114	100	97	
November	111	98	97	100	101	102	101	105	104	108	111	133	101	108	121	106	99	99	104	111	131	102	101	
December	111	98	97	99	99	100	99	105	104	108	113	125	129	102	132	103	100	99	105	126	136	104	107	
1917																								
January	115	100	100	101	102	100	103	102	105	120	105	160	113	110	131	101	152	99	99	106	153	139	103	
February	122	104	107	106	112	113	112	107	108	122	108	138	122	124	133	139	101	205	107	99	263	139	103	
March	119	105	110	108	115	117	120	114	111	134	110	91	121	127	110	115	199	104	100	218	144	104	104	
April	139	108	118	116	125	124	134	127	130	147	116	96	127	131	110	150	150	101	217	110	279	150	104	
May	145	111	120	121	129	128	135	130	156	118	98	121	136	110	165	165	105	226	118	342	171	106	107	
June	145	111	121	122	130	133	140	130	158	117	99	122	136	110	173	173	101	237	109	100	134	118	108	
July	140	118	126	129	134	138	143	131	156	117	108	117	132	134	185	185	112	236	107	100	166	174	108	
August	141	118	130	127	134	135	146	144	132	161	115	116	121	131	194	194	107	237	107	102	167	172	109	

could scarcely remain in business under such circumstances, yet the Philadelphia business directory shows that there are about 4,550 independent grocers alone supplying food to Philadelphia consumers, not to mention the numerous meat dealers.

However, this is not a discussion of causes and remedies, but an analysis of tendencies. It has shown that the trend of food prices is decidedly upward, and has accurately measured that trend for Philadelphia. Moreover, it appears that the upward movement is likely to continue. While prices fell in July of this year they started upward again in August, and presumably are still on the increase. So long as the United States continues to feed a world whose production is curtailed by the ravages of war, and so long as gold continues to pour into this country at its present pace, prices may be expected to continue to rise. The question that now presents itself is that of real wages. Are the money wages of the masses keeping pace with the trend in prices? If not, real wages are falling, standards of living are being lowered, and from the standpoint of social welfare, we are not prospering. The study of wage statistics which follows will answer that question for Philadelphia.

THE TREND IN WAGES

CHARLES REITELL, PH.D.

The purpose of this wage study undertaken by the writer for the Mayor's Food Committee was to find out primarily what changes had taken place in individual wages paid in Philadelphia from January 1, 1916 to March 10, 1917. In order to determine such changes as thoroughly and completely as possible two distinct sources of information were used:

1. Wage returns from trade and labor unions.
2. The direct study of payrolls. This second source, which was by far the more complete, had the actual pay records of the employer as working material. Not only so-called wage-earners, but salaried men as well were considered.

The results of these two divisions of the work are given in detail.

I TRADE AND LABOR UNIONS

To acquire the wage data from unions, special forms were sent to every labor organization in the city. This form requested wage

rates both at the beginning and at the close of the period (January 1, 1916 to March 10, 1917), also the length and exact period of wage contracts under which members were working.

Data covering 11,542 union workers were received, but of these only 7,518 were reliable and in such a shape as to be of value as a basis for conclusions.

The unions adequately reporting, with the number of active members in each were:

Name of Union	Members Reporting
Boilermakers' Union #19	106
Moving Picture Operatives	134
Association of Plumbers and Steamfitters	960
Brewery Engineers	151
Bookbinders' Local #2	297
Pavers' Local #48	148
Brewers' Union #5	605
Upholsterers' and Weavers' Union #25	530
Plasterers' Union	82
Cement Finishers'	54
Lace Operatives' Union	365
Drivers' Union #491	128
Cigar Makers, Male	240
Cigar Makers, Female	212
Bartenders' International	1,485
Coopers' Union #108	178
United Hatters	605
International Union of S. and O. Engineers	250
Upholsterers' Union	285
Weavers' Union	403
Electrical Workers' Local #20	300
Total	7,518

During the sixty-two weeks covered, the following wage changes took place:

Of the 7,518 workers, 4,569, or approximately three-fifths received no increase in wages; 615, or about 8 per cent received increases amounting from 1 per cent to 10 per cent of their wages; 824, or close to 11 per cent received increases of 10 per cent to 20 per cent of their income, while 1,510, or approximately 20 per cent had increases in wages of more than 20 per cent during the period. Charted, these figures may take clearer form.

The reason why so large a number of union workers received no increases, is largely because of prevailing long-term contracts with their employers. Especially was this true of the bookbinders', brewery engineers', upholsterers', weavers' and many other unions. Members of labor organizations working under these contractual

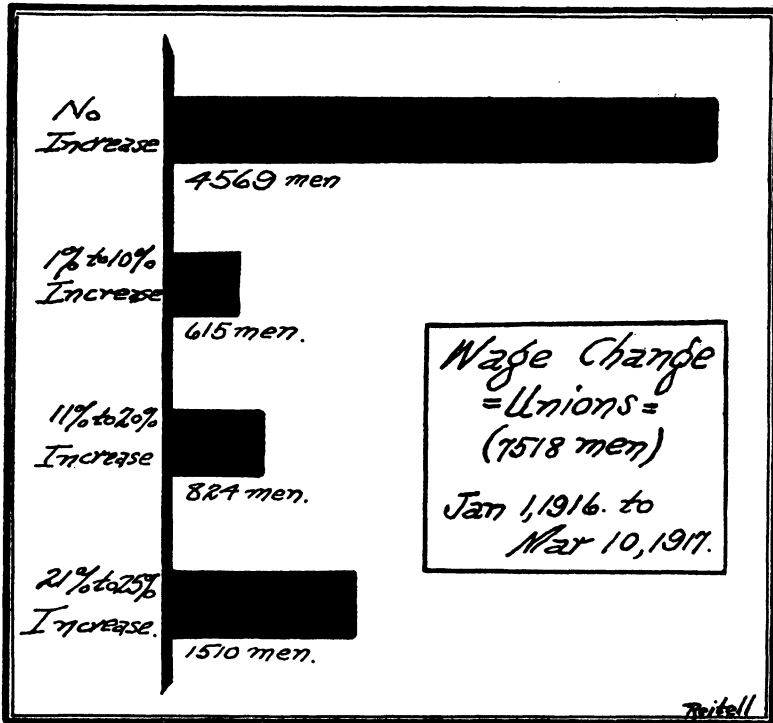


CHART VI

relations are not unlike the salaried men investigated, their slow changing incomes bearing no relation or adjustment to the quickly changing food prices. As one labor leader put it, "food prices are going up the elevator, while our wages have taken the stairs."

The actual amount of wages these workers were receiving on March 10, 1917 was:

WAGES OF 7,338 UNION WORKERS IN PHILADELPHIA MARCH 10, 1917

Wage Groups	Number	Percentage
Less than \$15 per week.....	2,877	38
\$15 to \$20 per week.....	3,680	49
Over \$20 per week.....	781	10
Incomplete	180	03
Total.....	7,518	100

Put into graphic chart these figures appear:

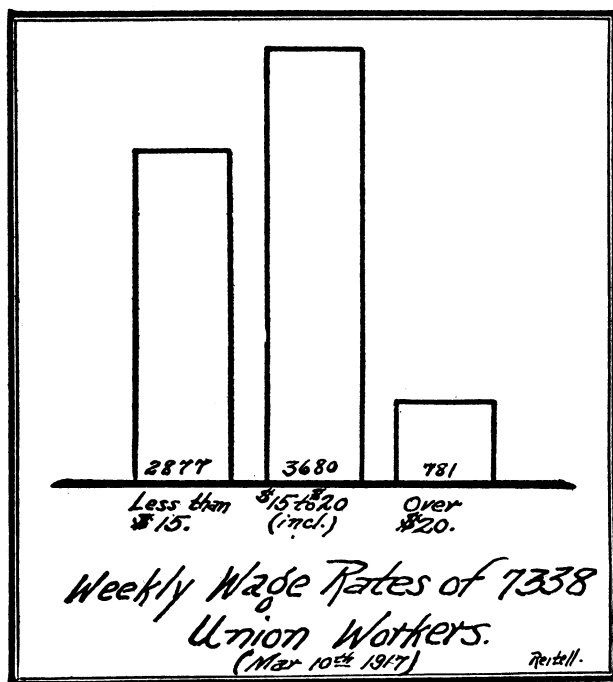


CHART VII

The following important conditions were found to prevail as general, or perhaps chronic, among the members of the unions investigated:

1. Everywhere unions were emphatic in calling our attention to the lack of any adjustment of long-time wage rates and short-time commodity prices. Even in those unions where rates had been increased within a period of two months, there was dissatisfaction

expressed. In the cases of long-term contracts, however, the greatest evil of this maladjustment was manifest.

2. As was to be expected the claim was paramount that wages were not high enough to meet those necessary costs needed for a fair standard of living. By applying the standard income for an individual and then closely examining the above income chart, one can judge the truth of the contentions of these workers regarding low wages.

3. In a few unions covering over 600 workers, successful strikes were an admitted failure. This economic paradox is quickly understood upon citing the most pronounced case—that of the Clothing Makers Union. The union had returned to work after a four weeks' successful strike in which a one dollar per week increase was realized. During this four weeks' interim food prices for an average family had gone up approximately \$1.75 per week. In short, the strike although increasing the money income, resulted in the falling of the real wages.

II ACTUAL PAYROLL STUDIES

More important than these figures, however, are those obtained from an actual study of payrolls. In order that this study might be as accurate as possible proportional representation was used. That is the plants investigated and the individual wage cards obtained were selected in proportion to the importance of the different industries and the different trades within the industry in the city's enterprises. For instance, almost one-fourth of the city's workers are in the textile industries, consequently one-fourth of the wage cards should come from textile mills. Similarly, within the textile industries are several different trades, and the cards from individual workers should be proportioned to the number of men employed in each occupation. By following this method the wage cards taken from the records were made fairly representative of the trend in wages throughout the city.

In all, 1,600 wage studies were made, covering by proportional representation about 44,200 workers. The average weekly incomes of these 44,200 represented workers for the sixty-two weeks covered by the investigation are as follows:

AVERAGE WEEKLY INCOMES OF 44,200 WAGE-EARNERS IN PHILADELPHIA

January 1, 1916 to March 10, 1917

Date 1916	Amount	Date	Amount
January 8.....	\$9.22	August 19.....	\$11.58
15.....	11.64	26.....	11.43
22.....	11.66	September 2.....	11.64
29.....	11.05	9.....	10.94
February 5.....	10.78	16.....	10.67
12.....	11.93	22.....	11.13
19.....	11.68	30.....	12.53
26.....	11.88	October 7.....	11.89
March 4.....	11.36	14.....	12.30
11.....	11.68	21.....	12.29
18.....	11.83	28.....	11.93
25.....	11.68	November 4.....	12.40
April 1.....	11.26	11.....	11.87
8.....	10.54	18.....	13.76
15.....	11.81	25.....	13.78
22.....	12.03	December 2.....	11.85
29.....	11.45	9.....	13.66
May 6.....	11.78	16.....	11.57
13.....	12.21	23.....	12.35
20.....	11.98	30.....	12.73
27.....	12.07	1917	
June 3.....	11.01	January 6.....	11.52
10.....	11.19	13.....	12.01
16.....	11.21	20.....	12.93
23.....	11.03	27.....	13.84
30.....	10.78	February 3.....	14.13
July 7.....	10.28	10.....	12.12
14.....	12.19	17.....	13.66
21.....	11.46	24.....	14.12
28.....	11.98	March 2.....	13.35
August 4.....	11.58	10.....	13.40
12.....	11.16		

The increase in wages for the last month of the investigation over the first month is 22.8 per cent.

The weekly fluctuations can be well seen in the chart.

These wage statistics afford a basis for comparison with the food price figures given in the preceding article. Taking the average wages for the year 1916 as 100, relative wages by months can be computed comparable with the relative food prices there quoted. These relative wages are shown in graphic form side by side with

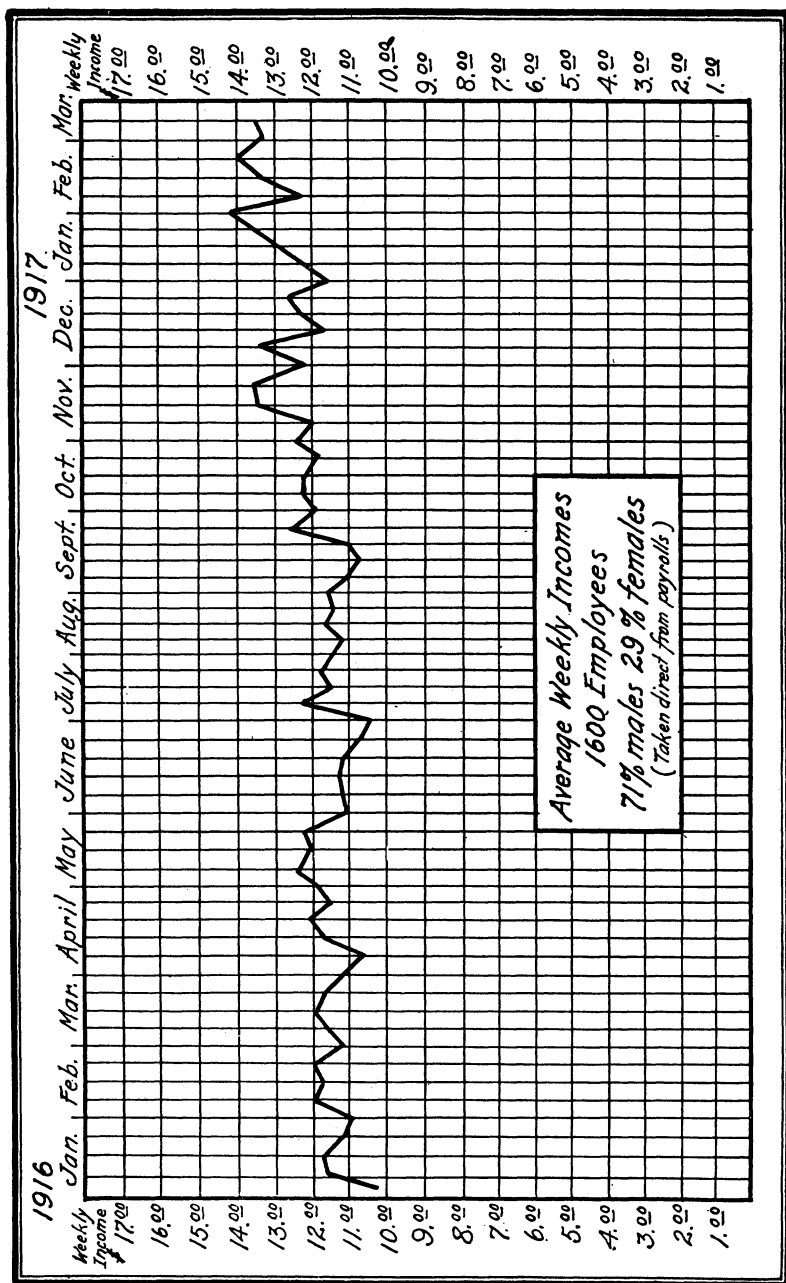


CHART VIII

the movement of relative food prices in Chart I, page 238. The significance of these two curves will be discussed in the conclusion.

III SALARIED MEN

As was stated under the study of union wages, union men and salaried men have felt the pressure of the rise in prices more than other workers, due to the fact that their incomes have had practically no change over the period investigated.

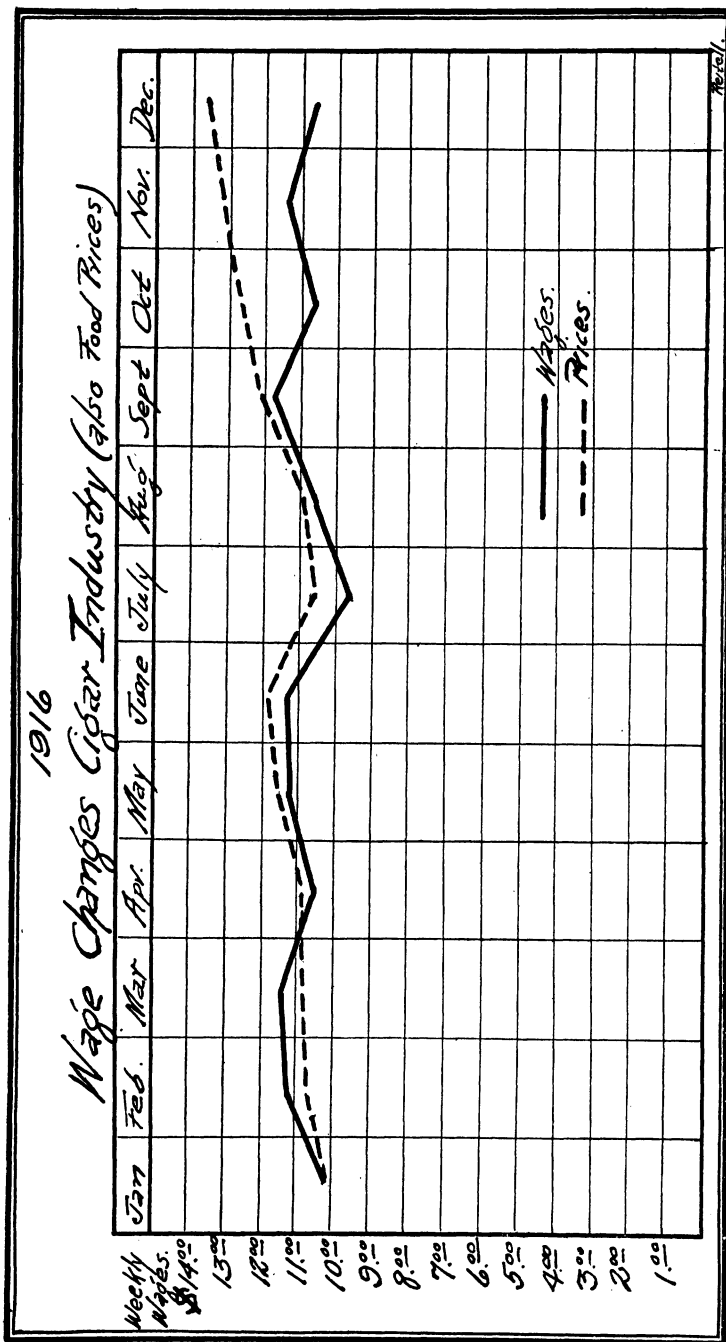
The committee had the records of 112 male employes, representing on a proportional basis 3,050 workers working on a salary basis. These three thousand men are employed as superintendents, assistant superintendents, shop foremen, timekeepers, bookkeepers and office clerks. Seventy-six per cent of these salaried men received no increase whatever from January 1, 1916 to March 10, 1917, while the remaining 24 per cent received increases ranging from 5 per cent to 25 per cent. The average weekly income for this complete salaried group on January 1, 1916 was \$22.75. Sixty-two weeks later, March 10, 1917, the average income was \$23.20 per week, an increase of 2 per cent during the period. During the same period the increase in food prices was 26.6 per cent! This tendency is driving salaried men into the shops. In many firms it was reported that salaried men were discarding white collars and were donning overalls, and much to their financial advantage.

IV THE IRREGULARITY OF WAGES

In several of the industries a characteristic condition was the irregularity of the incomes paid. When both future wages and future prices can in no way be discounted, the worker of necessity is thrown into a serious dilemma. Not knowing the future and living from hand to mouth, any change in income, be it up or down, plays havoc. He simply trusts to luck. Even the shadow of a budget is missing.

Two of the larger firms were taken in order to portray this unevenness in wages, lack of time and investigators making a complete study impossible. The cigar and textile industries alone were considered.

The following table and chart give the average weekly wages prevailing by the month of 324 cigar hands, both male and female, for 1916. The fluctuation of prices is also charted so that the discrepancy between wages and prices may be seen.



AVERAGE WEEKLY WAGE BY MONTHS, 1916

January.....	\$10.07
February.....	11.19
March.....	11.32
April.....	10.49
May.....	11.04
June.....	11.21
July.....	9.65
August.....	10.61
September.....	11.73
October.....	10.65
November.....	11.24
December.....	10.68

In the textile industry covering 1,650 workers the weekly income over fourteen months fluctuates between \$10.87 and \$15.36 per week. The following are the average weekly incomes by months:

AVERAGE WEEKLY INCOMES BY MONTHS, 1916

January.....	\$10.87
February.....	11.55
March.....	11.50
April.....	11.14
May.....	11.35
June.....	11.50
July.....	12.18
August.....	11.04
September.....	11.41
October.....	11.99
November.....	12.55
December.....	13.13
1917	
January.....	13.21
February.....	13.44
March (Two weeks only).....	15.36

As the above tables are averaged rates, they balance up and remove extreme cases. One textile worker through personal contact showed his wages and food budget. His income ranged from \$7.34 to \$21.50 per week while his food costs for a family of four ranged between \$7.80 and \$11.10 per week.

CONCLUSIONS

RAYMOND T. BYE, A. M., AND CHARLES REITTELL, PH.D.

It is customary for social workers to contend that wages do not rise as rapidly as food prices, and that therefore real wages are fall-

ing. The figures of the United States Bureau of Labor Statistics for the country as a whole, indeed, confirm this belief, showing that prices have been rising much more rapidly than wages for several decades. It was expected that this study of wages and food prices in Philadelphia would reveal a similar tendency. It is rather surprising, therefore, that at first sight a comparison of the two sets of figures shows a remarkably close correspondence between price and wage changes. A reference to Chart I, page 238, where the monthly relative food prices and wages are shown, indicated that during the period from January 1, 1916 to March 15, 1917 wages followed the increase in food prices with considerable regularity. During these fifteen months food prices increased 26.6 per cent while wages rose 23.6 per cent, a difference of only 3 per cent.

Is it then to be concluded that real wages are not changing at all? The statistics hardly warrant such a statement. Unfortunately the period covered by the Food Committee's study is too short to be of any real significance as to the movement of real wages in general. Moreover, food is not the only item although it is a very important one in the family budget. An adequate measurement of real wages would have to take into consideration the prices of clothing, lodging, fuel and many other things. It is hardly likely, however, that these prices have increased any faster or even as fast as food prices.

A reference again to the chart will show that the difference between the increase in wages and that of food prices is really greater than the figures just quoted would make it appear. A sharp rise in wages from January to February, 1916, and a slight drop in food prices from February to March, 1917, is deceptive. If the January and March figures be eliminated and the increase of prices for the year from February, 1916 to February, 1917 be compared with wages for the same period it will be seen that prices rose 31.1 per cent while wages increased only 16.0 per cent. If the wage figures, moreover, were continued to August, which unfortunately it was impossible to do, it is hardly likely that they would be shown to have kept pace with the extraordinary price increases of April and May. It is probable, therefore, that over a long period the Philadelphia statistics would bear out the general impression that real wages are falling. What is interesting to note about this study, however, is that for a considerable group of wage-earners the phe-

nomenal rise in food prices from January, 1916 to March, 1917 has not entailed as great a hardship as might at first be supposed. Dr. Reittel's investigation showed this to be particularly true of the iron and steel and other "war" industries. On the other hand, as has been pointed out, for the salaried employes and trade unionists working on wage contracts it has meant a considerable hardship. On the whole it seems probable that wages are increasing less rapidly than food prices, and that in consequence standards of living in the long run are slowly falling.

CONSTITUTIONALITY OF FEDERAL REGULATION OF PRICES ON FOOD AND FUELS

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A question has been raised in the minds of some eminent gentlemen who are in entire accord with the policy of regulating prices on food and fuels concerning the constitutional power of the federal government to regulate prices on commodities or services, other than those which are strictly public in character, like a railroad which has received certain privileges from the public in return for which it is subject to public regulation.

THE ISSUES

Two issues are involved: (1) the extent of jurisdiction by the federal government as distinguished from the several states over the subjects in question; and (2) does the police power of either a state or of the federal government include the authority to fix prices on such articles as food and fuels at a time like the present.

Our position is that Congress has the constitutional authority to establish or to authorize some tribunal to establish reasonable maximum prices on food and fuels during the period of the war. In support of this position we will briefly outline the fundamental principles of law which are involved. During the discussion of the cases we should bear in mind constantly:

A. The vital connection between the production and equitable distribution, at reasonable prices, of food and fuels, with the whole